

**UTAH FOUNDATION FOR
AGRICULTURE IN THE CLASSROOM
FINANCIAL STATEMENTS**
For the Years Ended June 30, 2006 and 2005

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SMITH POWELL AND COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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SALT LAKE CITY, UTAH 84101

Accountant's Compilation Report

To the Board of Trustees
The Utah Foundation for Agriculture in the Classroom
Salt Lake City, Utah

We have compiled the accompanying statements of financial position of The Utah Foundation for Agriculture in the Classroom (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Smith Powell and Company, LLC

January 19, 2007

UTAH FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

Statements of Financial Position
June 30, 2006 and 2005

ASSETS	<u>2006</u>	<u>2005</u>
Current Assets		
Cash and Cash Equivalents	\$ 13,562	\$ 23,529
Certificate of Deposit	<u>55,758</u>	<u>54,290</u>
Total Current Assets	<u>69,320</u>	<u>77,819</u>
Property		
Software	12,000	12,000
Less: Accumulated Amortization	<u>(12,000)</u>	<u>(10,660)</u>
Total Property	<u>0</u>	<u>1,340</u>
TOTAL ASSETS	<u>\$ 69,320</u>	<u>\$ 79,159</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 11,645	\$ 23,898
Total Current Liabilities	<u>11,645</u>	<u>23,898</u>
 Total Liabilities	<u>11,645</u>	<u>23,898</u>
Net Assets		
Unrestricted	<u>57,675</u>	<u>55,261</u>
Total Net Assets	<u>57,675</u>	<u>55,261</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 69,320</u>	<u>\$ 79,159</u>

See accompanying notes and accountant's report.

UTAH FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

Statements of Activities
Years Ended June 30, 2006 and 2005

UNRESTRICTED NET ASSETS	<u>2006</u>	<u>2005</u>
REVENUE AND SUPPORT		
State Legislative Appropriation	\$ 85,000	\$ 70,000
Donor Contributions	28,612	26,888
Net Sale of Education Material (Cost \$0 in 2005)	0	1,718
Interest Income	<u>3,033</u>	<u>1,939</u>
Total Revenue and Support	<u>116,645</u>	<u>100,545</u>
EXPENSES		
(SEE NOTE 5 FOR FUNCTIONAL CLASSIFICATION)		
Advertising and Publicity	11,941	0
Amortization Expense	1,340	4,000
Awards & Recognition	300	300
Bad Debts	0	10
Employee Benefits	19,442	13,903
Freight & Postage	0	4,755
Other Expenses	1,952	4,723
Payroll Taxes	4,301	3,732
Printing & Copying	0	4,916
Professional Fees	2,500	2,975
Repairs & Maintenance	0	113
Salaries & Wages	56,403	58,182
Software	0	336
Supplies	109	9,712
Telephone	2,557	2,463
Travel	7,830	3,897
Vehicle Expense	<u>5,556</u>	<u>6,351</u>
Total Expenses	<u>114,231</u>	<u>120,368</u>
CHANGE IN UNRESTRICTED NET ASSETS	2,414	(19,823)
TOTAL NET ASSETS AT BEGINNING OF YEAR	<u>55,261</u>	<u>75,084</u>
TOTAL NET ASSETS AT END OF YEAR	<u>\$ 57,675</u>	<u>\$ 55,261</u>

See accompanying notes and accountant's report.

UTAH FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

Statements of Cash Flows *Years Ended June 30, 2006 and 2005*

OPERATING ACTIVITIES	<u>2006</u>	<u>2005</u>
Change in Net Assets	\$ 2,414	\$ (19,823)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) from Operating Activities:		
Depreciation and Amortization	1,340	4,000
Changes in Current Assets and Liabilities:		
Decrease in Accounts Receivable	0	3,204)
Increase (Decrease) in Accounts Payable	<u>(12,253)</u>	<u>23,898</u>
Net Cash Provided (Used) in Operating Activities	<u>(8,499)</u>	<u>11,279</u>
 INVESTING ACTIVITIES		
Current Additions to Certificate of Deposit	<u>(1,468)</u>	<u>(1,044)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,468)</u>	<u>(1,044)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(9,967)	\$ 10,235
 Cash and Cash Equivalents at Beginning of Year	<u>23,529</u>	<u>13,294</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$ 13,562</u></u>	 <u><u>\$ 23,529</u></u>

See accompanying notes and accountant's report.

UTAH FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

Years Ended June 30, 2006 and 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Organization and Activities** - The Utah Foundation for Agriculture in the Classroom (UFAC) is a non-profit organization whose purpose is to educate Utah students and other Utah residents about agriculture.

UFAC works with Utah State University in a cooperative agreement to accomplish their mutual agricultural literacy educational programs. Most expenses of UFAC are incurred by the University and reimbursed by UFAC. Total expenses billed by the University were \$109,191 and \$113,057 for the years ended June 30, 2006 and 2005.

- B. **Basis of Accounting** - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
- C. **Revenue and Support** - Revenue and Support are recorded as unrestricted and, if applicable, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor or other restrictions. Support received from governmental sources is considered unrestricted as long as it is expended under contractual guidelines and is expended in the designated period.
- D. **Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.
- E. **Cash and Cash Equivalents** - Short-term investments with an original maturity of three months or less are considered cash equivalents for the statement of cash flows.
- F. **Certificate of Deposit** - At June 30, 2006 and 2005 the foundation had a six-month certificate of deposit maturing on October 25 of each year. The certificate earned 4.51% and 2.72% at June 30, 2006 and 2005, respectively.
- G. **Property** - Property is carried at cost, and consists of software used in the production of course material and workshop demonstrations. Property is being amortized over three years on the straight line method. Amortization expense was \$1,340 and \$4,000 for the years ended June 30, 2006 and 2005.

UTAH FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

Years Ended June 30, 2006 and 2005

NOTE 2 - INCOME TAX STATUS

The Foundation obtained exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization.

NOTE 3 - CONCENTRATIONS OF RISK

Business Risk

Utah State appropriation funds accounted for 73% and 70% of the Foundation's unrestricted revenues for the years ended June 30, 2006 and 2005.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation has a number of financial instruments, none of which are held for trading purposes. The Foundation estimates that the fair value of all financial instruments at June 30, 2006 and 2005 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 5 - FUNCTIONAL EXPENSES

The cost of providing various programs and activities have been summarized by their natural classification in the statement of activities. In addition, these costs have been allocated among the programs and supporting services benefitted as follows:

Program Expenses:

	<u>2006</u>	<u>2006</u>
Agricultural Publications	\$ 37,558	\$ 28,889
In-Service Teacher Training	37,558	62,591
Pre-Service Teacher Training	18,780	13,240
Management & General	<u>20,335</u>	<u>15,648</u>
Totals	<u>\$ 114,231</u>	<u>\$ 120,368</u>